

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7090

BILL NUMBER: HB 1396

NOTE PREPARED: Jan 11, 2013

BILL AMENDED:

SUBJECT: Data Privacy.

FIRST AUTHOR: Rep. Mahan

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that a data base owner may not make a material misrepresentation to an Indiana resident regarding the data base owner's collection, use, storage, sharing, or destruction of the resident's personal information.

It provides that a data base owner may not require a contractor or vendor of the data base owner to make a material misrepresentation to an Indiana resident regarding the data base owner's collection, use, storage, sharing, or destruction of the resident's personal information.

It also adds the definition of "data" for purposes of security breach disclosure laws to include information maintained: (1) in a computerized format; (2) on paper; (3) on microfilm; or (4) in or on a similar medium.

Effective Date: July 1, 2013.

Explanation of State Expenditures: There are no data available to indicate how many more actions the Attorney General may bring if data is defined to include information maintained in paper, microfilm, or similar medium in addition to computerized format. Additionally, the bill would establish a new basis for action by the Attorney General against a data base owner concerning material misrepresentation regarding the collection, use, storage, sharing, or destruction of an Indiana resident's personal information.

A knowing or intentional violation concerning disclosure of a security breach is actionable by the Attorney General and punishable with an injunction to enjoin further violation, a civil penalty of not more than \$5,000 per deceptive act, and the Attorney General's reasonable costs to investigate and maintain the action.

Explanation of State Revenues: If the Attorney General brings an action against a violator and a civil penalty is awarded, the revenue would be deposited in the state General Fund. The maximum penalty of \$5,000 would apply to each deceptive act.

The court may also collect court fees from a defendant if the Attorney General is successful in bringing an action.

Explanation of Local Expenditures:

Explanation of Local Revenues: A defendant may be responsible for court fees if the Attorney General successfully brings an action.

State Agencies Affected: Attorney General.

Local Agencies Affected: Courts.

Information Sources:

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